

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries and Commerce Department – Extension of certain incentives under Electronics Policy 2014-20 to M/s. Essel Infra Projects Ltd. and Golden Concord Holdings Ltd. (GCL) Consortium to set up an integrated Solar panel manufacturing facility at Rambilli Mandal, Visakhapatnam District – Orders-Issued.

INDUSTRIES & COMMERCE (POLICY & INVESTMENT) DEPARTMENT

G.O. Ms. No.176

Dated:13-12-2016.

Read the following:-

1. From M/s. Essel Infra Projects Ltd., Email, Dt:20.09.2016 and the DPR Submitted by M/s. Essel Infra Projects Ltd.
2. Empowered Committee Meeting on 26.10.2016.
3. State Investment Promotion Board Meeting on 28.10.2016.

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ORDER:-

In the reference 1st read above, M/s. Essel Infra Projects Limited has informed that it has entered into a consortia with China-based solar manufacturer Golden Concord Holdings (GCL) for setting up an integrated polysilicon to solar panel manufacturing facility. The consortium proposes to set up four solar manufacturing units - Polysilicon, Wafers/Ingots, Solar Cells and Solar modules. These manufacturing facilities would cater to both domestic and overseas PV markets. The proposed investment would be over INR 21,300 crore, including the ancillary units and has the potential to create direct employment of 23,400 and indirect employment of 4,200.

2. The Consortium has requested for the following benefits:

- (i) Registration and stamp duty: 100 percent exemption on stamp duty and registration fees on land and loan/credit documents
- (ii) Entry tax and special entry tax:100 percent exemption on entry tax and special entry tax
- (iii) Requesting for allotment of 1157 acres of land for the 4 Anchor units and its ancillaries
- (iv) Swachh Andhra/Green initiatives:50 percent subsidy on the total fixed capital investment in the project for green measures with a ceiling of INR100 crore
- (v) State capital subsidy of 20 percent on the total investment for 15 years, with no specific/absolute constraint on the overall subsidy amount as long as it is limited to 20 percent of investment. State to provide an additional 25 percent of the capital subsidy on electronics units, which will be reimbursed by the unit to the state Government upon receiving it from the central Government.
- (vi) Government of Andhra Pradesh to facilitate long-term loans for 50 percent of the project cost at 4 percent interest p.a. and short-term loans at 5 percent of working capital with no project cost limits. Moratorium on payment for 15 years.
- (vii) Power to be given at INR 2/- per unit (including all taxes and duties) for 15 years.
- (viii) 100 percent rebate on water tariff for 15 years.
- (ix) Skill Upgradation and training: 50 percent reimbursement for the cost incurred subject to a maximum of INR10,000/- per employee.

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- (x) EPF contribution: 50 percent reimbursement for the employer's PF contribution for a period of five years.
- (xi) Market development support: 50 percent reimbursement for the cost incurred for participation in International Trade Fairs (without any limits).
- (xii) 50 % reimbursement for patent filing costs (without any limits)
- (xiii) 50 % reimbursement for quality certification cost (without any limits)
- (xiv) 100 % exemption on VAT/CST for 10 years.
- (xv) Technology Support - Assistance of up to 50 percent of project cost (excluding land and building) up to a limit of INR 65 crore.
- (xvi) Exemption from all local State taxes: Exemption from any other state taxes, cess, duties or levies as notified by the State Government.

3. In the reference 2nd read above, the meeting of Empowered Committee of Secretaries held on 26.10.2016 has discussed the proposal of M/s. Essel Infra Projects Ltd- GCL Consortium, and recommended for extending the following incentives:

- (i) APIIC shall allocate land of 55 acres for Solar cells manufacturing and 55 acres land for solar modules manufacturing as per their regulations. To reserve requisite land for subsequent phases as per APIIC Reservation Policy.
- (ii) Recommended the following incentives for the 1st phase of Essel Infra projects on the lines of Trina Solar and generic Solar policy:
 - (a) Power cost reimbursement
 - (i) @ Rs. 1.25 per unit for capacity between 500 MW – 1 GW of cells and modules for 5 years
 - (ii) @ Rs. 1.5 per unit for 5 years for capacity $\geq$ 1 GW of cells and modules.
 - (b) Rebate in water cost
 - (i) @ 25% for capacity between 250 MW - 1GW of cells and modules for 5 years
 - (ii) @ 50% for 5 years for capacity above 1GW of cells/modules for 5 years
 - (c) 50% subsidy on the expenses incurred for quality certification limited to Rs. 2 crore for an investment up to Rs. 1,500 crore and 75% subsidy on the expenses incurred for quality certification limited to Rs. 3 crore for an investment more than Rs. 1,500 crore
 - (d) 25% subsidy on the Swachh Andhra initiatives limited to Rs. 50 crore for an investment up to Rs. 1,500 crore and 50% subsidy on the Swachh Andhra initiatives limited to Rs. 50 crore for an investment more than Rs. 1,500 crore
 - (e) External Infrastructure assistance upto Rs. 3 crore for Capacity between 250 MW – 500 MW of cells and modules, upto Rs.5 crore for Capacity between 500 MW – 1 GW of cells and modules and upto Rs.10 crore Capacity $\geq$ 1 GW of cells and modules.
 - (f) All other incentives as per Electronic Policy.

4. In the reference 4th read above, the State Investment Promotion Board (SIPB) have discussed the proposal of M/s. Essel Infra Projects Ltd. – GCL Consortium, in detail and decided to extend the following incentives:

- (i) APIIC shall allocate land of 55 acres for Solar cells manufacturing and 55 acres land for solar modules manufacturing as per their regulations. To reserve requisite land for subsequent phases as per APIIC Reservation Policy.

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- (ii) The following incentives may be extended for the 1st phase of Essel Infra projects –GCL Consortium on the lines of Trina Solar and generic Solar policy:
- (a) Power cost reimbursement
 - (i) @ Rs. 1.25 per unit for capacity between 500 MW – 1 GW of cells and modules for 5 years from the date of commencement of Commercial Production
 - (ii) @ Rs. 1.5 per unit for 5 years for capacity $\geq$ 1 GW of cells and modules from the date of commencement of commercial production.
 - (b) Rebate in water cost
 - (i) @ 25% for capacity between 250 MW - 1GW of cells and modules for 5 years from the date of commencement of commercial production.
 - (ii) @ 50% for 5 years for capacity above 1GW of cells/modules for 5 years from the date of commencement of commercial production.
 - (c) 50% subsidy on the expenses incurred for quality certification limited to Rs. 2 crore for an investment up to Rs. 1,500 crore and 75% subsidy on the expenses incurred for quality certification limited to Rs. 3 crore for an investment more than Rs. 1,500 crore
 - (d) 25% subsidy on the Swachh Andhra initiatives limited to Rs. 50 crore for an investment up to Rs. 1,500 crore and 50% subsidy on the Swachh Andhra initiatives limited to Rs. 50 crore for an investment more than Rs. 1,500 crore
 - (e) External Infrastructure assistance upto Rs. 3 crore for Capacity between 250 MW – 500 MW of cells and modules, upto Rs.5 crore for Capacity between 500 MW – 1 GW of cells and modules and upto Rs.10 crore Capacity $\geq$ 1 GW of cells and modules.
 - (f) All other incentives as per Electronic Policy

5. The Government after careful consideration of the recommendations of the State Investment Promotion Board hereby extend the following incentives to M/s. Essel Infra Projects Ltd. – GCL Consortium, for their proposed 4 Solar Manufacturing units with an investment of Rs. 21,300 Crores with a potential to create direct employment of 23,400 and indirect employment of 4,200 people:

- (i) APIIC to allocate land of 55 acres for Solar cells manufacturing and 55 acres of land for solar modules manufacturing as per their regulations. To reserve requisite land for subsequent phases as per APIIC Reservation Policy.
- (ii) To extend the following incentives for the 1st phase of Essel Infra projects –GCL Consortium (Solar Cells & Modules project) on the lines of Trina Solar and generic Solar policy:
 - (a) Power cost reimbursement
 - (i) @ Rs. 1.25 per unit for capacity between 500 MW – 1 GW of cells and modules for 5 years from the date of commencement of commercial production.
 - (ii) @ Rs. 1.5 per unit for 5 years for capacity $\geq$ 1 GW of cells and modules from the date of commencement of commercial production.
 - (b) Rebate in water cost
 - (i) @ 25% for capacity between 250 MW - 1GW of cells and modules for 5 years from the date of commencement of commercial production.

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- (ii) @ 50% for 5 years for capacity above 1GW of cells/modules for 5 years from the date of commencement of commercial production.
- (c) 50% subsidy on the expenses incurred for quality certification limited to Rs. 2 crore for an investment up to Rs. 1,500 crore and 75% subsidy on the expenses incurred for quality certification limited to Rs. 3 crore for an investment more than Rs. 1,500 crore
- (d) 25% subsidy on the Swachh Andhra initiatives limited to Rs. 50 crore for an investment up to Rs. 1,500 crore and 50% subsidy on the Swachh Andhra initiatives limited to Rs. 50 crore for an investment more than Rs. 1,500 crore
- (e) External Infrastructure assistance upto Rs. 3 crore for Capacity between 250 MW – 500 MW of cells and modules, upto Rs.5 crore for Capacity between 500 MW – 1 GW of cells and modules and upto Rs.10 crore Capacity $\geq$ 1 GW of cells and modules.
- (f) All other incentives as per Electronic Policy

6. The Director of Industries, Andhra Pradesh, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIJARAJ
SECRETARY TO GOVERNMENT & CIP

To

The Director of Industries, Andhra Pradesh, Hyderabad.

M/s. Essel Infra Projects Ltd –Golden Concord Holdings Ltd Consortium through the Director of Industries, Andhra Pradesh.

The IT & Electronics Department

The Energy , Infrastructure and Investment Department

The Collector & District Magistrate, Visakhapatnam District.

The VC & MD, Andhra Pradesh Industrial Infrastructure Corporation Ltd., Vijayawada.

The General Manager, District Industries Centre, Visakhapatnam District.

The Zonal Manager Andhra Pradesh Industrial Infrastructure Corporation Ltd., Visakhapatnam.

Copy to

The Finance (EBS-VIII)Department

The Revenue (CT) Department.

The Revenue (Registration) Department.

The Law (H) Department.

The Accountant General, Andhra Pradesh, Vijayawada

The Commissioner of Commercial Taxes, Vijayawada

The Vice Chairman & Managing Director, APIIC, Vijayawada.

The PR & RD (PR) Department.

The MA & UD Department.

The H.M. & F.W. Department.

P.S. to Secretary to Chief Minister

P.S. to Chief Secretary to Government

P.S. to Secretary to Government & CIP, Industries & Commerce Dept.

SC/SF.

// FORWARDED :: BY ORDER //

SECTION OFFICER